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RHEHNSC/NSC WASHDC

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**SUBJECT: CONSUMERS: TRANSATLANTIC ECONOMIC COUNCIL NEEDS  
STRONGER CONSUMER FOCUS, MORE TRANSPARENCY**

**¶11. (SBU) Summary:** At a February 4 meeting with USEU, TransAtlantic Consumer Dialogue (TACD) representatives raised concerns over and suggested new directions for the Transatlantic Economic Council (TEC) process. TACD is concerned about the need for more transparency in the drafting of the TEC agenda, and the TEC's heavy focus on business concerns, when they believe the consumer organizations can contribute usefully to transatlantic discussions on innovation, energy technologies, IPR and other issues. USEU will continue working with TACD to help build this constructive approach. End Summary.

Background

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**¶12. (SBU)** At USEU's initiative, Econoffs met with representatives of the Transatlantic Consumer Dialogue (TACD) February 4 as a follow-up to the December Transatlantic Economic Council (TEC) meeting. TACD participants included Benedicte Federspiel (TACD Chair), Julian Knott, Willemien Bax and Anne-Catherine Lorrain. Bax is also Deputy Director General for the European Consumer's Organization (BEUC). (Note: TACD's U.S. and EU co-chairs, along with their Transatlantic Business and Legislators' Dialogues (TABD and TALD) counterparts, were included in the group of advisors to the TEC Co-chairs when the TEC was created in 2007. End note).

Overview

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**¶13. (SBU)** Federspiel opened the discussion by welcoming the USG outreach to TACD and willingness to discuss a broad range of issues related to the U.S.-EU Transatlantic Economic Integration Framework (TEF), saying that "this meeting in itself sends a message." After explaining her role (current and past president, rotates among members of board, presidency alternates between US and EU consumer groups) she addressed the TEC. She said TACD members have both procedural and substantive concerns with the TEC as it has operated to date.

**¶14. (SBU)** The group's main concern, Federspiel said, is around a lack of transparency around the TEC process. This encompasses the lack of information exchanged between USG and TACD members on what has been discussed and decided, agendas

and schedules for meetings, what is planned, and who has responsibility for various elements of TEC work. As a result, TACD representatives feel their suggestions have not been incorporated into the TEC agenda. She said the process of reviewing stakeholder input should be improved.

**¶15.** (SBU) In addition, Federspiel said, TEC agendas have been too heavily focused on issues of interest to business. Many issues that TEC takes up are not "consumer friendly." She suggested that moving EU TEC management away from DG Enterprise, which addresses mainly business issues, to the Council Secretariat (coordinating body for member state issues) or the Commission's interdisciplinary foreign relations directorate (DG RELEX) would help address this.

#### TEC Dynamics

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**¶16.** (SBU) USEU presented some initiatives the co-chairs have undertaken to improve the TEC, including completing and publishing a workplan and establishing parallel USG and Commission websites for TEC/TEF documents; in addition, Econoffs indicated State and Commerce will work to facilitate interagency coordination and continuity. Willemien asked whether the workplan would simply be a list of activities that occurred within the TEF framework and a list of additional planned activities, or whether we would use it as an evaluative tool, to measure the effectiveness of these activities. Econoffs explained that it is likely to be primarily a factual inventory of specific project commitments, goals, progress to date, and next steps.

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**¶17.** (SBU) Knott asked about the various sectoral dialogues under the TEC. Econoffs described the U.S.-EU Investment Dialogue and the High-Level Regulatory Cooperation Forum (HLRCF). The HLRCF is strong, and expected to continue with or without a TEC process. Bax said there should be greater coordination among the dialogues. She also said that BEUC had been invited to brief EU member state reps who follow transatlantic relations (COTRA working group) on their view of the TEC. Federspiel also noted that at the May 2008 TEC meeting, (she was unable to attend in December), there were definite personality problems among some participants, which led to a sometimes uncomfortable situation and less productivity for the meeting overall.

#### TACD Recommendations

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**¶18.** (SBU) TACD shared several specific recommendations with Econoffs. TACD suggested that actual TEC meetings put a greater emphasis on discussion of broad, strategic issues (e.g. financial crisis impacts and responses). Federspiel said one challenge in balancing the dialogue would be addressing how to improve competitiveness in the transatlantic marketplace versus using the political weight of the TEC to resolve discreet, thorny, problematic issues. To this end, Federspiel suggested removing poultry from the TEC agenda, citing it as an example of an issue that had loomed too large in TEC discussions, taking up too much time to the exclusion of other issues that could have been addressed. She said the only person in the Commission who supported allowing U.S. poultry into the EU market was Verheugen, and as he was not a "dictator," he alone could not get poultry accepted, especially as 26 member states voted against allowing poultry and one, the UK, abstained.

**¶19.** (SBU) TACD interlocutors again emphasized the need to move EU management of the TEC to DG RELEX or the Council Secretariat. Federspiel pointed out that having DG Enterprise run the TEC for the Commission has led to an overemphasis on business interests on the agenda. Under this dynamic, it is difficult to get buy-in on TEC participation from Commissioners like Dimas (Environment) and Vassiliou (Health),

whom she suggested would not like to put themselves in a position of going to the TEC to "be bossed around by Verheugen." She suggested DG RELEX would be a better home for the TEC due to its neutrality, but added that "TABD may not make the same recommendation."

¶10. (SBU) Federspiel said that perhaps different meeting formats could be considered for the TEC, such as a shorter plenary and more time allowed for breakout sessions, where discussion could be freer. She lamented the fact that members of the TEC advisory committee were allotted five minutes to speak at the beginning of the meeting, then sat there silently for hours on end Q a wasted opportunity for the advisors to provide useful input.

¶11. (SBU) Knott and Federspiel emphasized above all the need to broaden the agenda to include "consumer-friendly issues." Federspiel noted that TACD had submitted recommendations for all previous meetings for the TEC, which included suggestions the agenda should not be dominated by "crises of common interest" to the consumer and business communities, but should also include positive and proactive discussions on topics such as nanotechnology, innovation, and sustainability. Knott proposed that the TEC examine the connection between innovation, access to technology and potential reexamination of IP rights, particularly for developing countries, as well as general access to knowledge. Lorrain added that patent harmonization would be interesting, along with a discussion on copyrights and other current IPR issues.

#### Next Steps

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¶12. (SBU) On next steps, Knott agreed to update and send USEU four papers on TEC issues, along with other recommendations. All agreed on the usefulness of the meeting and voiced their commitment to reinforce the dialogue between the Mission and TACD, and improve communication. TACD thanked USEU again for proactively reaching out to TACD on these issues. Federspiel closed by noting that TACD would hold its annual meeting June 7-10, 2009 in Brussels, to which the Mission and senior USG TEC officials would be invited. She suggested that this provided a great opportunity to meet with Commission leaders on TEC issues. (Note: TACD formerly held meetings twice annually, one in DC and the other in Brussels, but for budgetary reasons, can now only do one per year. End note.)

#### Comment

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¶13. (SBU) TACD clearly feels the advent of a new U.S. administration offers them the chance to correct what they see to have been an excessive focus on business issues and concerns in prior TEC meetings. TACD recommendations on TEC structural reform should be considered thoroughly as part of a larger process of USG review of the TEC's continuation, functioning and structure. USEU will work to strengthen our dialogue with the group and will work to integrate it more effectively into the network of TEC stakeholders.

MURRAY